

# IRS News Release

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Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

[www.irs.gov/newsroom](http://www.irs.gov/newsroom)

Public Contact: 800.829.1040

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## **E-FILING RUNNING AT RECORD PACE**

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WASHINGTON — At the mid-point of tax filing season, the Internal Revenue Service announced today that taxpayers have used e-file at a record rate.

Out of 47 million tax returns filed through Feb. 25, 74 percent of them were e-filed – up from 69 percent the previous year. While this percentage traditionally declines as April 15 approaches, the IRS expects for the first time to have more than half of all individual tax returns filed electronically.

In all, more than 35 million returns have been e-filed this year. The biggest jump comes from self-prepared tax returns filed with a computer, which has increased nearly 14 percent to 8.7 million returns.

The jump in computer use coincides with another strong year from the Free File program. The IRS and a consortium of tax software manufacturers offer free services through Free File, which is available at IRS.gov. More than 2.77 million returns came in through Free File through Feb. 23, which is a 42.6 percent increase from last year's 1.94 million returns.

"E-filing is making a strong start," said IRS Commissioner Mark W. Everson. "Taxpayers and tax professionals are becoming increasingly comfortable with e-filing. It's fast, easy and you get refunds in half the time."

The growth in e-file comes as record tax refunds are being sent to taxpayers. The average refund so far is \$2,436 – a record amount and more than \$200 more than last year.

The IRS also is seeing record numbers of people using direct deposit for their refunds. More than 29 million have selected direct deposit, up 4 percent from last year. So far this year, three out of four taxpayers receiving refunds have used direct deposit.

Taxpayers who e-file and choose direct deposit get their refunds in half the time of those who file a paper return. Even paper filers, however, can get the benefit of direct deposit by choosing that option on their tax forms; they will get their refunds a week sooner than waiting for a paper check.

## 2005 FILING SEASON STATISTICS

Cumulative through the week ending 2/27/04 and 2/25/05

	<u>2004</u>	<u>2005</u>	<u>% Change</u>
<b>Individual Income Tax Returns</b>			
Total Receipts	48,391,000	47,164,000	-2.5
Total Processed	42,259,000	42,421,000	0.4
<b>E-filing Receipts:</b>			
TOTAL	33,511,000	35,097,000	4.7
TeleFile (phone)	2,547,000	2,143,000	-15.9
Computer	30,964,000	32,954,000	6.4
Tax Professionals	23,273,000	24,208,000	4.0
Self-prepared	7,691,000	8,746,000	13.7
<b>Tax Year 2004 Refunds Certified:</b>			
Number	38,933,000	38,307,000	-1.6
Amount of principal	\$86.836 billion	\$93.314 billion	7.5
Average refund	\$2,230	\$2,436	9.2
<b>Direct Deposit Refunds:</b>			
Number	27,955,000	29,078,000	4.0
Amount	\$70.658 billion	\$78.904 billion	11.7
Average	\$2,528	\$2,713	7.4